

**To: Newly Registered Washington State Appraiser Trainee**  
**From: Appraiser Program Manager**  
**Subject: Information on what to expect from supervisors and some additional reference material for newly registered appraisers**

As you embark on your appraisal career, you will be working with a variety of supervisors. The Washington State Real Estate Appraiser Commission Education Work Group has suggested a few sources of information to ensure that you are aware of the laws and rules governing trainees and supervisors. Additional information is provided that may be useful to you as you develop your research skills. From varied ideas on where to turn for hard-to-find data to how to recognize and resist subtle and not-so-subtle lender pressure, these extra resources may be useful to you and your supervisor as you work toward your certification.

*The following list is a summary of the information sources provided below. You may click on each title to take you directly to the item of interest to you, or you may read through the document in its entirety.*

Topic	Page
<a href="#">Appraiser Program Website Guide</a> Wendy Munson, MAI	2
<a href="#">A USPAP Instructor's Advice on Comp Searches</a> Cheri Kelley Farivar, GAA-RAA	6
<a href="#">Comparable Sales: Inspection and Photographing – What are the rules?</a> Bill King	10
<a href="#">Trainee Expectations from Supervisors</a> Marcos (Marc) E. Campos, MAI, SRA	14
<a href="#">Appraiser Certification Training</a> Barry C. Wilson	16
<a href="#">Appraisal Resource Links</a> Richard Hagar, SRA,	18
<a href="#">Government Sites for Appraisers</a> The Appraisal Institute - <i>Seattle Chapter</i>	19
<a href="#">Lender Pressure</a> The Appraisal Institute - <i>Seattle Chapter</i>	23
<a href="#">Useful References</a>	24

## GUIDE TO APPRAISER PROGRAM WEBSITE

Welcome to the appraisal profession and to the Washington State Appraiser Trainee Program. As a newly registered trainee, you have completed USPAP, and so are familiar with certain requirements for appraisers. This handout is intended as a supplement to help you keep informed about the state appraiser program and other basic requirements. Your best source of updated information will be the DOL website <http://www.dol.wa.gov/business/appraisers/>. To have the “news” delivered to your email doorstep, sign up for the LISTSERV® service described below.

### PLEASE JOIN!!!! SIGN UP FOR APPRAISER NEWS

The Real Estate Appraiser Program now has a LISTSERV® to broadcast important messages to subscribers. The Real Estate Appraiser Program's goal is to enhance communication with licensees with available new technology. The messages will be sent as needed to distribute law and rule changes, real estate appraiser licensing updates, and other new information. If you are interested in becoming a subscriber, you can sign onto the DOL Real Estate Appraiser Program LISTSERV® today. There is no cost to subscribe and you may delete your address at any time. Go to the DOL website <http://www.dol.wa.gov/business/appraisers/> to sign up for LISTSERV® and click on “Contact us.” Follow the instructions to “Join the mailing list.”

### ■How to Obtain a Current Copy of the Uniform Standards of Professional Appraisal Practice (USPAP)?

Although all trainees are required to have completed USPAP prior to registering, and must stay current with USPAP to maintain registration and, subsequently, certification or licensing, it is always possible to download a current copy of USPAP from the DOL website. Go to the Homepage and click on “Frequently Asked Questions,” then click on the underlined information:

What standards of practice apply to real estate appraisers in the state of Washington?

Within the response that appears, click on “USPAP” and the site will take you to the current copy of USPAP.

### ■Washington State Laws and Rules Affecting Appraisers

Appraisers should be familiar with two laws and one administrative code that affects appraisal activity in Washington State. On the DOL homepage, click on “Laws and Rules.”

■**RCW18.235:** Uniform Regulation of Business and Professions Act guides business and professional activity throughout the state.

■ To obtain a complete copy of the Certified Real Estate Appraiser Act, which every trainee should read in its entirety, click on **RCW 18.140**

■ To obtain a complete copy of the administrative code governing Washington real estate appraisers, click on **WAC 308-125**. Again, every trainee is responsible for knowing the requirements of these regulations.

Some of the requirements of the regulations are so important to you as a trainee that they are listed below. They pertain to the responsibilities of the supervising appraiser, and they list aspects of supervision that you as a trainee have a right to expect from your supervisor.

## **WAC 308-125-095**

### **Responsibilities of the appraiser supervisor.**

(1) A certified real estate appraiser licensed by the state of Washington may supervise trainees in accordance with the following provisions:

(a) Not more than three real estate appraiser trainees may be supervised in accordance with the appraiser qualifications board standards unless written authorization by the department is granted to exceed that number of trainees at any one time.

(b) Supervision of trainees in the process of appraising real property shall occur within the boundaries of the state of Washington and comply with jurisdictional and established agreements with other states. If a trainee is supervised by a certified appraiser who is licensed in both the state of Washington and with another state or has a temporary license in another state; and the trainee is registered as a trainee in that other state by either temporary permit, license, or registration, then the appraisal assignments shall qualify as work experience on the experience log.

(c) Authorization to exceed supervision of three trainees may be granted by the director upon approval of a written request and under the provisions of subsection (2) of this section.

(d) A registered real estate appraiser trainee may assist in the completion of an appraisal report, including determination of an opinion of value and may sign the appraisal report, provided that he/she is actively and personally supervised by a state-certified real estate appraiser, and provided that the appraisal report is reviewed and signed by the state-certified real estate appraiser; and provided the state-certified appraiser accepts total responsibility for the appraisal report.

(e) The certified appraiser shall:

(i) Personally inspect with the trainee, at a minimum, the interior of twenty-five subject properties.

(ii) Personally review and verify each appraisal report prepared by the trainee as entered on the trainee experience log as qualifying work experience prior to the log being submitted to the department by the supervised trainee.

(iii) Personally review and verify each appraisal report prepared by a state licensed or certified residential appraiser as entered on the qualifying work experience log prior to the log being submitted to the department by the licensee.

(iv) Comply with all USPAP requirements.

(v) Maintain a separate "properties inspected with trainee" log for each supervised trainee. This log must be made available to the department upon request and is to be submitted with trainee's application for license or certification.

(2) Authorization may be granted by the director to a certified appraiser to exceed the number of trainees allowed to be supervised providing:

(a) The certified appraiser has more than five years certified experience.

(b) The certified appraiser shall make a written application to the department requesting to supervise not more than three trainees with less than one year experience; and three trainees with more than one year experience; and five trainees with greater than two years experience. The total number of supervised trainees shall not exceed eight for all experience levels at any one time.

(c) The certified appraiser shall prepare and maintain trainee progress reports and make them available to the department until such time as the trainee becomes certified or licensed or after two years has lapsed since supervising the trainee.

(d) The certified appraiser shall provide to the department a mentoring plan for consideration prior to the department authorizing supervision of more than three trainees.

■Remember also from your USPAP training that beyond the 25 interior inspections required by the Washington Administrative Code, the Competency Rule of USPAP requires that your supervisor personally inspect with you each appraised property until your supervisor determines you are competent in accordance with the Competency Rule, for the specific property type, if not covered within the original 25.

■A further relevant communication for trainees regarding inspections was provided via LISTSERV® as stated below:

**From:** Birkedahl, Ralph (DOL)

**To:**

**Sent:** Monday, May 22, 2006 11:14 AM

**Subject:** Inspection of Subject Property

An appraisal report with a certification stating that a personal inspection was made represents that the performed inspection was sufficient to satisfy all the applicable Standards Rules, supplemental standards and specific client requirements. If a personal inspection was made of a property with existing enclosed improvements and the inspection was limited to an external observation, this limitation should be disclosed.

Signing an appraisal report as "did inspect" without inspecting the subject property is misleading and a violation of the Uniform Standards of Professional Appraisal Practice (USPAP) and could result in statements of charges for both the trainee and supervisory appraiser.

Trainees should also be aware of this fact, since they are equally responsible and liable for the appraisal reports they sign.

**A USPAP Instructor's Advice on Comp Searches**  
**By Cheri Kelley Farivar, GAA- RAA**

*Dear Ms. Farivar,*

I recently enjoyed your USPAP update class in Bellevue and thought you were a terrific instructor. Now that I've buttered you up with a little flattery, I want to challenge you with my thoughts on doing "comp searches" for lenders. When we discussed this in the class you made it clear that USPAP doesn't allow it, but I still don't really see why it is considered unethical.

Here's my example: If the subject is a 1,500 square foot 10 year old home in a neighborhood of similar homes, and a search of Metroscan reveals 5 or 6 sales of homes in the same subdivision, all within a price range of \$250,000 to \$270,000, it seems pretty easy to figure out that the subject is probably worth a minimum of \$250,000. So, how can it be that conveying this information to a lender is considered unethical? Besides, every other appraiser in our market area does them, so lenders expect this service. How can I stay in business if I don't do comp searches too?

Signed,

A Student

**My response:**

Dear (student),

Thanks for your letter. Believe me, the subject of “comp searches” is one of the most commonly asked questions in my USPAP classes, so I don’t mind formulating an answer for you that I can use in future classes to illustrate the way USPAP views this type of lender request.

To begin with, consider this: USPAP defines an appraisal as “*any stated estimate of value, written or oral, whether it is a single point, (such as \$260,000), a range in value, (\$250,000 to \$270,000), or an estimate in reference to a previous value, (such as an increase of 10%)*”. Any one of these statements is considered an appraisal report by USPAP. This can be found in the “definitions” section of your USPAP manual.

If you tell a lender that a house is worth \$260,000, or between \$250,000 and \$270,000, you have then performed an appraisal and reported it orally. ***Your lender may call it a comp search, or a comp report, but USPAP clearly calls it an appraisal!***

Now that you have performed a free appraisal, (on a property you have not inspected), you must, at the minimum, also include the following in your report:

- 1 State the identity of the client and any intended users of the report.
- 2 State the intended use of the report.
- 3 State information sufficient to identify the real estate involved
- 4 State the property ownership interest appraised
- 5 State the purpose of the appraisal, including the type of value and the definition of value used in the report
- 6 State the extent of the process of collection, confirmation and reporting your findings
- 7 State any assumptions and/or limiting conditions
- 8 State and explain the exclusion of any of the typical valuation approaches that might be considered necessary, (Cost Approach, Income Approach)
- 9 Include a signed certification

Also, remember that SR2-1 states that the appraiser must maintain a workfile in support of any appraisal conducted, and that you must retain a copy of the workfile for a minimum of 5 years.

Now that you have considered the definition of an appraisal and how you must document your work, do you still feel that offering your expertise and access to your data is something you want to give away for free?

Yes, I am well aware that lenders will still request them, in fact there is not a week that goes by when my office doesn’t get at least one of these requests. But we do not do them! And, happily, we are still in business.

So, let's take a moment to analyze why lenders think they need comp searches in the first place? When I ask, I generally find that the lender is looking to make a refinance loan on a home and wants to know in advance whether he is likely to be able to make the loan.

When you get a call for a comp search, you might tell the lender that you cannot comply with a typical comp search request, but that maybe you can assist him another way.

I suggest that you make general comments about the marketplace and the neighborhood. Say something like, *"According to Metroscan, (or county records), your subject property is 106 Birch Street, built 10 years ago, 1,520 square feet with a 2-car garage. There have been 5 sales in the subject plat of Inglewood in the past year. All of these sales are between 1,400 and 1,600 square feet, 8 and 12 years old, with similar lot sizes. Here's what the county record states about these homes:"*

111 Maple Street	1,500 SF	10 years old	\$267,000
113 Maple Street	1,500 SF	12 years old	\$260,000
115 Pine Street	1,550 SF	9 years old	\$270,000
207 Cottonwood	1,600 SF	11 years old	\$267,000
304 Oak Street	1,540 SF	12 years old	\$252,000

"So, Mr. Lender, you can see that there are several recent sales that an appraiser might use as comparable sales in an actual appraisal of your client's home."

### **THEN STOP!!!**

Be very careful to simply impart public information to the lender. You can give a lender data, but you must refrain from correlating the information for him. Don't choose the "best" comps for him and don't offer a value conclusion. If he then asks, "So you think the subject would come in at least \$262,500?" Then you must respond that you could only be that specific if you can actually conduct an inspection and complete an appraisal of the home.

It's OK to give generic information to lenders. But it's not OK to offer, or even to agree with a specific value or even a range of values.

Changing the way you approach these requests may be all it takes. Will it work for every comp search request? No, probably not. But here is a question for you to consider: If a lender really insists on pinning you down to a specific number after your explanation that doing so goes against your professional standards, maybe you don't want to work with that lender anyway.

Remember that lenders don't have to comply with USPAP; in fact they rarely know anything about it! But USPAP is there to protect you, and your clients too. Sometimes it's a good idea copy specific sections of USPAP and send them to lenders who ask too much.

Page 4.

In May of 2006 the Appraisal Foundation published comments on Comp Search Requests in the monthly Q & A. You can find this and many other interesting and informative answers to your questions at the Appraisal Foundation website:

[www.appraisalfoundation.org](http://www.appraisalfoundation.org)

Lender education is what is necessary here, and appraisers are the ones who have to do it!

Sincerely,

Cheri Kelley Farivar, GAA-RAA

© 2006, Cheri Kelley Farivar, Pacific Appraisal Associates, PLLC

*The following article was taken from William King's ValueOne.com Website. Go to [www.valueone.com](http://www.valueone.com) for other similar articles on appraising.*

## **Comparable Sales: Inspection and Photographing – What are the rules?**

By Bill King

There was a time years ago when the standard of practice was that no comparable photographs were taken. It was expected that the appraiser had viewed the comparable sales from the street, but photos were not submitted. The certifications we find in today's appraisal reports did not exist, and there was no USPAP. The advent of comparable sale photographs as an exhibit to an appraisal report is, at least in part, an outgrowth of the practice of not driving the comparable sales. Simply, the requirement for photographs forced appraisers to prove what had been taken for granted previously, that they did in fact drive the comparable sales. As technology evolved and reports became more detailed, additional photographs of views, exterior amenities and adverse influences also became common.

In recent years, a trend has developed that has many residential appraisers failing to drive or inspect the comparable sales and opting to use MLS photos instead. They justify this practice with disclaimers about how the MLS photo better depicts the property on the day it sold, or that they could not get a good view from the street because of sunlight or trees, or even that the turn time requirement was so short that time simply didn't allow for driving comparable sales. Some invoke (incorrectly) the Departure Rule. What scope of work did you agree to at the time of assignment?

Let's face it; there are a lot of very good quality exterior and interior photographs in most MLS systems today that certainly enhance our ability to make meaningful comparisons of a comparable sale to a subject property. How often have you heard the concern that we go through the subject from stem to stern, and then only see the comparables from the street, thereby limiting the ability to really compare properties? Before the days of digital photography, MLS systems had no photographs at all, much less the detailed interior photographs that are common today.

Is an actual drive-by inspection of comparable sales required? First, let's establish what is required in most assignments for residential mortgage lending. There are two main sources for determining the requirements for developing and reporting a residential appraisal where mortgage lending is involved: The Uniform Standards of Professional Appraisal Practice (USPAP), and the Fannie Mae Selling Guide. These guides drive the appraiser's scope of work decision.

From a USPAP perspective, comparable sales are not directly addressed. The appraiser's Standard 2-3 certification requires the appraiser to indicate whether or not they inspected the subject property but does not reference comparable sales at all. Some residential appraisers take this to mean that USPAP does not require them to inspect comparable sales. If the assignment does not involve the use of a Fannie Mae form, this may be correct.

However, Fannie Mae is one of those entities with an ability to establish public policy, and therefore able to establish Supplemental Standards. By accepting an assignment that requires use of a Fannie Mae form (not necessarily an assignment that will be sold to Fannie Mae), an

appraiser becomes bound to the supplemental standard, thereby making the requirement to drive the comparable sales a requirement for full USPAP compliance. The use of Fannie Mae forms even when the appraisal report is not destined for Fannie Mae could be viewed as misleading if not completed to Fannie Mae guidelines. Many other secondary market participants simply adopt Fannie Mae guidelines rather than write their own.

Fannie Mae Form 1004-B, the Appraiser's Certification, paragraph 8 is clear: "I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report." The certification in the current Fannie Mae form 2055 is also clear: "I performed this appraisal by (1) personally inspecting from the street the subject property and neighborhood and each of the comparable sales (unless I have otherwise indicated in this report that I also inspected the interior of the subject property)." It also goes on to say that "I have adequate information about the physical characteristics of subject and comparable sales to develop this appraisal." This is something we are specifically attesting to with our signature as what we have done each time we apply our signature.

The new Fannie Mae forms 1004 and 2055 make clear in the scope of work that "the appraiser must, at a minimum: (3) inspect each of the comparable sales at least from the street." For the new 1004 form the required exhibits include: "Clear, descriptive photographs (either in black and white or color) that show the front of each comparable sale and that are appropriately identified. Generally, photographs should be originals that are produced by photography or electronic imaging; however, copies of photographs from a multiple listing service or from the appraiser's files are acceptable if they are clear and descriptive."

While the form 2055 instructions require photographs of the subject, there are no required comparable photographs, original or otherwise. However, the requirement that the comparables be inspected, at least from the street remains. If you really drove past the property with enough daylight to meet the requirement of having adequate information about the physical characteristics of comparable sales to develop the appraisal, why not take the photographs?

Can I re-write the certification indicating I did NOT inspect the comparable sales? Perhaps most important to keep in mind when using the Fannie Mae forms and signing the certification is that you cannot override anything in the certification; you can add to things like Scope of Work but you can never diminish the certification itself. Fannie Mae instructions are abundantly clear:

"Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted."

Do I need to re-inspect the comparable sale each time I use it in an assignment? We have firmly established that exterior inspection of the comparable sales from the street is not optional in residential lending assignments where the scope of work calls for inspection of comparable sales. What we are now faced with is a judgment decision as to whether or not revisiting a property that has recently been seen is required.

First, I think that some of us have become complacent about the whole comparable sale process. The objective is to identify the most similar properties in the market that have sold as a benchmark for what a given subject property should sell for in the market, not necessarily the first three “sales” that fit. Competency involves judgment. The selection of comparable sales is a judgment process. Perhaps the most important reason for viewing the comparable sales is to make specific judgments as to how to a given sale compares to the subject. There are specific units of comparison that need to be identified and analyzed. The fact that you have seen a given comparable sale recently does not ensure that the specific units of comparison that were most important in the last assignment are also the most important units of comparison in the next assignment. It may be that they are the same if the two different subject properties are about the same. In neighborhoods where a high degree of homogeneity is present, sound judgment may result in using a sale from a recent assignment without revisiting it. However, in cases of complex property, or a comparable sale with some form of external obsolescence, it may be necessary to revisit the comparable sale in each assignment in order to ensure that the most critical units of comparison are being given proper treatment in the context of the subject property.

For example, you may have a subject property on an arterial street and three very good comparable sales, also on similar arterial streets. This might result in no adjustments for the external influence of the arterial street. Next week’s subject may be similar in all other respects, but located on a quiet, dead-end street. In this case, it might be helpful, if not necessary, to revisit the same comparable sale in order to properly assess the magnitude of difference between it and the subject property. Perhaps in a semi-rural area where a subject property has additional improvements such as a barn, arena, detached shop or auxiliary living unit, the amenity contribution may be a critical component to the total value. Revisiting the comparable sale may be an important step in properly assessing the true comparability of the property to the subject. And I’m sure many of us have had the experience of looking at a given sale on paper and feeling that we had a solid comparable, only to drive the property and realize that the same buyer would never consider it a reasonable substitute for the subject.

### Business Decisions versus Appraisal Decisions

There may be sound business reasons for re-taking your comp photos, aside from the sound appraisal reasons. I’ll be among the first to stand up and say that we cannot let our clients run our businesses, but there are times when it is wiser to anticipate the problems that can arise and head them off than to engage your client in a battle of wills. I try to keep in mind that part of my ability to gain their business lies in being someone who is not difficult to do business with.

If you took a photograph of a comparable sale in March with snow on the roof, and now it is May and the flowers are blooming, perhaps the wise choice is to re-take the comparable sale photograph and spare yourself the exercise of explaining the circumstances to an underwriter or reviewer. In the end, it may take more time to diffuse the problem than it would have to simply re-take the photograph. Beyond that, unless you are taking NO new photographs for the assignment, you should already be in the area. I would also argue that if the distance is so great as to make revisiting the comparable sale burdensome, it may just not be comparable anyway. There are also occasions when a gated entry, no trespassing sign, or other obstacle prevents access to the comparable sale. Under these circumstances, I have developed the practice of including the photograph of the gate or sign in the comparable sale photograph page, and then include the MLS photo on an additional photo page with an explanation. This

eliminates the phone calls, and makes clear that the sale was driven and inspected as well as it could be from the public street. Supplementing a report with MLS photos is also an excellent way to illustrate why your photo may show things that didn't exist at the time of sale like a fence, barn, or other obvious exterior improvement.

Another advantage of MLS photos is the number and quality of the interior photos that are available. These can go a long way to helping you defend quality and condition adjustments in an assignment. Keep in mind too, that reviewers often have access to these photos. If you fail to note a significant feature or difference that could be easily identified through these photos, it may come back to bite you.

### Conclusion

The certifications we sign attest to the fact that we did in fact inspect the exterior of the comparable sales, but they do not say *when* we inspected them. Good judgment is essential. The certifications also indicate that the *signer* inspected the exterior of the comparable sales, not an assistant or another appraiser in your office. The source of the comparable sale photographs can be your original photograph, another appraiser, or the MLS. Again, use good judgment and explain your decisions. And remember, if the MLS photo isn't the right house, it is still *your* certification.

© 2005, Bill King, ValueOne Appraisal

## **Trainee Expectations from Supervisors**

**Marcos (Marc) E. Campos, MAI, SRA**

Supervisors should encourage beginning appraisers to review the portions of USPAP that apply to the type of appraising they will be doing. Supervisors should assure that trainees understand the appraisal process at a basic level as well as have a cursory knowledge of the following:

- ❑ How to keep adequate records: phone calls, appraisal log, personal copies of their reports, initial notes about an assignment, appointments, etc.
- ❑ How to do initial subject property research.
- ❑ How to find assessor's information by street, name, map page, etc. Look at the assessor's map. Check to see if it has been or is currently listed in the MLS. (There are appraisers who do not use the MLS in their work and produce fraudulent reports.)
- ❑ Learn how to tell if the subject is in a flood zone and what its zoning is.
- ❑ Learn how to ask the occupant/ owner to verify details about the subject property such as house style, house size, house age, number of bedrooms and baths, site size, number of tax parcels, recent upgrades. This allows the correct comparables to be selected before going into the field.
- ❑ How to do a search for comparables: land, house/building, rent, expense, capitalization, cost new, etc. The emphasis is on finding sales and listings of nearby houses/properties like the subject. The search should NOT be to find comparables with some of the subject's characteristics that fit a certain price range. This is how the house sale next door is missed and a misleading comparables from a superior location are used.
- ❑ How to inspect a property. For residential work the URAR can act as a minimal checklist. There are many items USPAP requires the appraiser to consider that are not on the form such as those noted in SR 1-3 (a), SR 1-4 (e), (f), SR 2-2 (b) viii, etc.. Measuring a house (know the ANSI standards plus local custom) or apartment (building size versus rental unit sizes) or office building (know BOMA standards and load factor calculations), etc.
- ❑ How to photograph a property, including any negative aspects of the building or site or adjoining nuisance (freeway, dump, etc.). For example, the appraiser should avoid standing with his or her back along Interstate 5 to shoot the street scene and purposefully *misplace* the subject arrow on the assessor and location maps so they are not next to the freeway.
- ❑ How to inspect comparables. Learn what level of detail is necessary for the type of appraisal being completed.
- ❑ How to confirm details about the property. When a phone call should be made to clarify conflicting information between what is observed in the field and noted in the MLS listing or Metroscan printout.
- ❑ How to use data sources. What is reliable and what is not. For example, bath and bedroom counts in assessor and Metroscan records are often wrong, as noted in recent MLS listing(s) or CBA listing(s) of that comparable.
- ❑ How to write the appraisal report. Make sure to note any problems with the property. Provide an estimated cost to fix curable depreciation. There should be an empirical way to get the answers to complete all the boxes on the typical appraisal form. No guessing should be done.
- ❑ How to use MLS statistics for market trends; how to read trade publications to understand their reported vacancy rates or rental rates; how to read the local papers to understand the local market; how to do a study for time appreciation; who to call for

- information on availability of utilities; how to extract market adjustments; how to prepare exhibits including maps and photograph pages; etc.
- ❑ How to deliver the report to the client. Record keeping, contents of the work file, mailing options, electronic transmission, preparation and inclusion of an invoice, etc.
  - ❑ Ability to explain to a property owner that the assignment results are for the client and that the client is the one who will discuss the report with them.
  - ❑ Office policy concerning free desk appraisals (a.k.a. value checks) should be explained and a work file should be created for that appraisal and kept for the required five years.
  - ❑ The trainee should act professionally at all times. He/she needs to be punctual and courteous.
  - ❑ Some firms expect the trainee to spend some time marketing to bring in additional work.

---

## **APPRAISER CERTIFICATION TRAINING**

The prospective candidate for employment as an appraiser trainee will have completed 75 class-room hours of appraisal education and be registered with the Department of Licensing, as required by the Washington Administrative Code (WAC 308-125):

Basic Appraisal Principles (or equivalent)	30 clock hours
Basic Appraisal Procedures (or equivalent)	30 clock hours
Uniform Standards of Professional Appraisal Practice	15 clock hours

### **Acceptance into the Training Program – Timeline: 0**

- I. Stage 1 (2 - 3 months in length) Office Training & Field Observation –  
The trainee will learn basic appraisal office operations, research procedures and report development.
  - A. Order processing
  - B. Subject data research – primarily using the Internet
    1. MetroScan, Win2Data, Realist, DataQuest, etc.
    2. Northwest Multiple Listing Service
    3. County Assessor & Recorder Websites
    4. FEMA and other federal websites
  - C. Search parameters for comparable sales data
    1. Similar properties
      - a. Age
      - b. Design
      - c. Quality
    2. Proximity
      - a. Built-up area - within 1 mile
      - b. Rural area - justifications for expanding the search area
    3. Current sales
      - a. Within the past 6 months preferred
      - b. Greater than 12 months is typically not acceptable for mortgage lending
      - c. Data to support time adjustments, if necessary
    4. Provide support for expanding any search parameter
  - D. Search parameters for comparable rental data, as appropriate
  - E. Report preparation and assembly
  - F. The trainee will accompany several senior appraisers on field inspections and will assist with subject and comparable data research.
  
- II. Stage 2 (2 - 3 mos., 10-15 files) Field Training - The trainee is assigned to work with one certified appraiser who becomes a "mentor" with supervisory responsibility for the trainee. Compensation based on fee split.
  - A. Receives an appraisal assignment
  - B. Researches the available databases for subject and comparable data
  - C. Selects most appropriate sales comparables under supervision of mentor
  - D. Inspects subject property and views sales comparables accompanied by mentor
  - E. Develops analysis and prepares report, working closely with mentor
  - F. Assists mentor with research and assembly of his/her assignments

NOTE: Washington law now requires that a supervisor accompany the trainee on a minimum of 25 interior inspections. If the trainee is demonstrating competency with typical properties

after 10-15 assignments, the remaining accompanied inspections can be of more complex properties later in the training program.

- III. Stage 3 (varies with individual) Field Experience - Promoted on recommendation of mentor and with approval of company management. Increased fee split.
  - A. Receives assignment and conducts all research, property inspection and develops analysis and prepares report, under supervision of mentor.
  - B. Mentor conducts drive-by inspection of subject and comparables and is responsible for quality of report; will accompany trainee on inspections of complex properties.

As the trainee's ability and competence develop, the trainee assumes more responsibility for the work product and is involved in more complex assignments, but the mentor continues to be directly involved in each report and has responsibility for the quality and accuracy of the final report. The trainee shall complete additional educational courses leading to licensing or certification.

- IV. Stage 4 (varies) Solo Experience - Pay raise on recommendation of mentor and with approval of management.
  - A. Trainee accepts increasing responsibility for report development and preparation
  - B. Mentor serves as a guide and resource, conducts some field reviews and assists with unusual assignments.
  - C. Mentor continues to have supervisory responsibility

#### **Completion of Basic Training Program - Timeline: 12-18 months**

The senior trainee is qualified to work with a minimum of supervision, although the mentor still has supervisory responsibility.

The trainee completes all required educational courses and electives, submits experience log proving 2500 hours to DOL and passes the examination.

#### **Residential Certification – Timeline: 24-36 months**

*(This program was developed specifically to train residential appraisers in the mid-1990's and was the basic format used by the author with eight trainees over a six year period. Trainee compensation is not detailed in this document, but was done on an equitable fee split basis among the company, the mentor/supervisor and the trainee.)*

#### **DEFINITIONS:**

Mentor An individual with the skills and desire to train people new to the industry; per WAC 308-125 must be a certified appraiser, willing to accept the responsibilities of a Supervisory Appraiser, as defined by Fannie Mae.

Supervisory Appraiser As defined by Fannie Mae, a licensed or certified real estate appraiser who accepts complete responsibility for the entire contents of any report that they sign as "Supervisory Appraiser." If the primary appraiser signing the report is a Registered Trainee in the State of Washington, then the Supervisory Appraiser must be a Certified Appraiser.

Trainee (Apprentice, Assistant Appraiser, Intern) - An individual in training to become a certified real estate appraiser; has less than the two to three years of experience necessary to be eligible for the state certification examination.

- a. Junior Trainee - less than 1-year experience
- b. Senior Trainee - between 1 & 3 years

**APPRAISAL RESOURCE LINKS FROM  
AMERICANAPPRIASALS.COM WEBSITE  
Richard Hagar, SRA, President, American Home Appraisals**

## **Real Estate Appraisal Links**

- [The Appraisers' Coalition of Washington](#)
- [Washington State Department of Licensing](#)
- [U.S. Department of Housing and Urban Development](#)
- [Washington Center for Real Estate Research](#)
- [US Bureau of Economic Analysis](#)
- [US Census Bureau Fact Finder](#)
- [Bankrate.com Interest Rate Information](#)
- [Fannie Mae](#)
- [Freddie Mac](#)
- [The Appraisal Foundation](#)
- [ASC Appraisal Subcommittee](#)
- [FDIC](#)
- [New Home Trends](#)
- [Northwest Real Estate](#)

*The following sample reference information and discussion on lender pressure was taken from the website for the Appraisal Institute-Seattle Chapter ([www.ai-seattle.org](http://www.ai-seattle.org)). Substantial additional reference information useful to appraisers is available on that website.*

## **Government Sites for Appraisers** **The Appraisal Institute - Seattle Chapter**

### **Government Sites for Appraisers**

#### **FEDERAL SITES**

##### **U.S. Department of Housing and Urban Development**

<http://www.hud.gov>

##### **HUD's Online Library**

The place to find books and information about real estate. This is a very extensive publication list.

<http://www.hud.gov/library/index.cfm>

##### **FHA**

The Federal Housing Administration, generally known as "FHA", provides mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories. FHA insures mortgages on single family and multifamily homes including manufactured homes and hospitals. It is the largest insurer of mortgages in the world, insuring over 34 million properties since its inception in 1934. <http://www.hud.gov/fha/>

##### **FHA Exam Book**

FHA Appraiser Exam References

<http://fha-appraiser-exam.virtualave.net/> ?

##### **Freddie Mac**

Freddie Mac is a stockholder-owned corporation chartered by Congress in 1970 to keep money flowing to mortgage lenders in support of homeownership and rental housing. <http://www.freddiemac.com>

##### **Fannie Mae**

Fannie Mae is a financial company on the New York Stock Exchange (FNM/NYSE) serving the American home mortgage industry. Fannie Mae offers banks and other mortgage lenders financing, credit guarantees, technology and services so lenders can make more home loans to consumers at favorable rates and terms. <http://www.fanniemae.com>

##### **The Appraisal Foundation**

This is the national entity responsible for establishing the Uniform Standards of

Professional Appraisal Practice (USPAP), which are administered by the states for federally insured transactions.

<http://www.appraisalfoundation.org/>

### **ACS**

The Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

<http://www.asc.gov/>

### **Federal Interagency Council on Statistical Policy**

More than 70 agencies in the United States Federal Government produce statistics of interest to the public. The Federal Interagency Council on Statistical Policy maintains this site to provide easy access to the statistics and information produced by these agencies.

<http://www.fedstats.gov>

### **Bureau of Economic Analysis**

Statistic on the US economy.

[http://www.bea.doc.gov/ ?](http://www.bea.doc.gov/)

### **US Geological Survey**

A primer on GIS (geographical information systems) by the USGS.

<http://info.er.usgs.gov/research/gis/title.html> ?

### **FDIC**

Lending information including info on banks and legislation effecting appraisers.

<http://www.fdic.gov/index.html>

### **FDIC - Regional Outlook**

The Regional Outlook provides a quarterly analysis of current national and regional trends that may affect the risk exposure of insured depository institutions.

<http://www.fdic.gov/bank/analytical/regional/index.html>

## **STATE SITES**

### **Washington State Government Access**

<http://access.wa.gov/>

### **Washington State Government / Legislation**

The Washington State Legislature is a bicameral body with 49 members in the Senate and 98 members in the House of Representatives. There is one Senator and two House members in each of Washington's 49 legislative districts.

### **Appraiser Section, Department of Licensing**

Current regulations, education requirements, and forms.

### **Washington's Department of Financial Institutions**

Licensing bureau for the State. Information on mortgage brokers, banks, escrow offices and consumer help.

## **COUNTY SITES**

### **NACo**

NACo collects, researches, publishes and disseminates a variety of different information for, on and about counties.

### **Seattle PI Neighborhood Information**

Since its launch in November 1996, Neighbors has profiled more than 150 communities in and around Seattle. The profiles are categorized into 12 geographic zones. To visit a Neighbors profile, click a zone in the map below or select a specific neighborhood profile from the menus at right.

<http://seattlep-i.nwsourc.com/neighbors/>

### **King County**

[County Home Page](#)

[Recording Office](#)

[County Codes](#)

[Zoning Atlas](#)

### **Other Washington Counties**

[Kitsap County](#)

[Pierce County](#)

[Snohomish County](#)

[Thurston County](#)

[Whatcom County](#)

## **CITIES SITES**

### **King County Cities**

[Bellevue](#)

[Redmond](#)

[Bothell](#)

[Renton](#)

[Des Moines](#)

[SeaTac](#)

[Federal Way](#)

[Seattle](#)

[Issaquah](#)

[Tukwila](#)

[Kirkland](#)

[Newcastle](#)

### **Pierce County Cities**

[Puyallup](#)

[Sumner](#)

[Tacoma](#)

### **Snohomish County Cities**

[Edmonds](#)

[Everett](#)

[Mukilteo](#)

### **Skagit County Cities**

[Mount Vernon](#)

### **Whatcom County Cities**

[Bellingham](#)

[Blaine](#)

### **City of Seattle's Public Access Network**

A great source of information set up by the City. Information on demographics, housing programs, and city resources.

<http://www.ci.seattle.wa.us>

### **Department of Revenue**

<http://www.dor.wa.gov/>

### **Washington State Economic Development Network**

A great site for local community information. Click on the EDC button to get a list of all the economic development councils throughout the state.

<http://www.econd.org>

### **Labor Market and Economic Reports by County**

Washington State Employment Security Department has great county economic summaries and employment data.

<http://fortress.wa.gov/esd/portal/>

### **Office of Financial Management**

<http://www.ofm.wa.gov>

Copyright © 2004 Appraisal Institute Seattle Chapter. All rights reserved.  
The [Appraisal Institute](#) advocates equal opportunity and nondiscrimination in the appraisal profession and conducts its activities in accordance with federal, state and local laws.  
Website hosted and maintained by [Kinja LLC](#)

## Appraiser Resources

# The Appraisal Institute - Seattle Chapter

### Lender Pressure

Lenders are bringing intolerable levels of pressure against residential appraisers. Pressure can be as subtle as a polite request for a value to outright threats against the appraiser.

Examples of pressure and intimidation:

- withholding payment if an appraiser fails to appraise a property at a specific value;
- withholding of business if we, in advance, refuse to guarantee a predetermined value;
- withholding of payment and/or business if we refuse to ignore deficiencies in a property;
- forcing an appraiser to alter the description of a property so that a property will appear to be in "Average" condition or "typical" of the area, when in actuality, the property is in Fair or Poor condition;
- black listing honest appraisers in order to use less enlightened appraisers;
- forcing appraisers to make statements guaranteeing that a structure or improvement conforms to local building codes when appraisers are not qualified to make such statements.

Under the current system, lenders, individuals working for lenders, and other real estate professionals do not suffer negative consequences if and when they apply pressure to appraisers.

The practice of pressuring appraiser's for a predetermined value or description of a property is illegal under State and Federal laws!

This section of the Appraisal Institute - Seattle Chapter's Internet site, is an attempt to educate lenders and provide tools that will help appraisers.

*(The following are some resources for filing complaints.)*

[Washington State DFI Complaint Page](#)

## USEFUL REFERENCES

*USPAP in Plain English*, by Albert W. Frank III and John J. Leary, 2006, available online from [www.lulu.com](http://www.lulu.com).

*Appraisal of Real Estate, Twelfth edition*, Publisher: Appraisal Institute, available online from [www.appraisalinstitute.org](http://www.appraisalinstitute.org).

From Document Center: [www.document-center.com](http://www.document-center.com):

Document Number	Document Title	Price (US \$)
1.	<b>NAHB-2765-PDF</b>	<b>SINGLE FAMILY RESIDENTIAL BUILDINGS, SQUARE FOOTAGE - METHOD OF CALCULATING (SAME AS: ANSI-Z765)</b> FSCNo: (CLICK for CATEGORY) >2003 EDITION, Issued on Jan 1, 2003. 13 pages. <b>Current</b>
2.	<b>ANSI-Z765</b>	<b>SINGLE FAMILY RESIDENTIAL BUILDINGS, SQUARE FOOTAGE - METHOD OF CALCULATING (PAPER FORMAT)</b> FSCNo: (CLICK for CATEGORY) >2003 EDITION, Issued on Jan 1, 2003. 13 pages. <b>Current</b>

The website [www.appraisetoday.net/measure.html](http://www.appraisetoday.net/measure.html) gives a brief summary of the American National Standards Institute (ANSI) standard for measuring single family residential buildings. According to that website, a 16-page booklet describing the ANSI standards for measuring a house with examples and illustrations can be purchased for \$20.00 (plus \$4.00 shipping and handling) from the National Association of Home Builders (NAHB) Research Center in Maryland at 301-249-4000.

*Method for Measuring Floor Area in Office Buildings*, Publisher: ANSI/BOMA, \$36.75 + shipping and handling; available online from [www.webstore.ansi.org](http://www.webstore.ansi.org), Document number ANSI/BOMA Z65.1-1996

### Appraisal Organizations and Associations:

- Appraisers' Coalition of Washington (ACOW): [www.acow-wa.org](http://www.acow-wa.org)
- American Society of Appraisers (ASA): [www.appraisers.org](http://www.appraisers.org)
- American Society of Farm Managers and Rural Appraisers (ASFM&RA): [www.asfmra.org](http://www.asfmra.org)
- Appraisal Institute (AI): [www.appraisalinstitute.org](http://www.appraisalinstitute.org)
- International Association of Assessing Officers (IAAO): [www.iaao.org](http://www.iaao.org)
- National Association of Independent Fee Appraisers (NAIFA): [www.naifa.com](http://www.naifa.com)
- The International Right of Way Association (IRWA): [www.irwaonline.org](http://www.irwaonline.org)